

**Income Maintenance Advisory Committee
Department of Health and Family Services
Division of Health Care Financing**

MINUTES

Thursday, July 18, 2002
State Capitol, Room 300NE
Madison, Wisconsin

County Attendees: **Jackie Bennett**, Racine Co. WDC, **Lynn Brenner**, Calumet Co. DHS, **Pam Edmonds**, Rock Co. HSD, **Maxine Ellis**, Washington Co., DSS, **Liz Green**, Dane Co. DHS, **Ed Kamin**, Co-Chair, Kenosha Co. DHS, **Shirley Kitchen**, Dodge Co. DHS, **Nan Pahl**, Brown Co. DHS, **Michael Poma**, Milwaukee Co., DHS, **Amy Piotter**, Outagamie Co., **Shirley Ross**, LaCrosse Co. HSD, **Sue Schmitz**, Waukesha Co., **Sheryl Siegl**, Winnebago Co. DHS, **Pat Stelga**, Milwaukee Co., DHS, **Cindy Sutton**, Rock Co. HSD,

State Attendees: **Susan Wood**, Co-Chair, DHFS/DHCF/BIMA, **Cheryl McIlquham**, DHFS/DHCF/BHCE, **Rick Zynda**, DHFS/DHCF/BIMA, **Amy Mendel-Clemens**, DHFS/DHCF/BIMA/Call Center, **Jill Jokela**, DWD/ASD/BITS, **Bob Martin**, CARES, **Jodi Ross**, DHFS/DHCF/BIMA, **Vicki Jessup**, DHFS/DHCF/BHCE, **John Haine**, DHFS/DHCF/BHCE, **Gerry Mayhew**, DWD/PTS, **Mike McKenzie**, DHFS/DHCF/BIMA, **Sara Pynenberg**, DHFS/DHCF/BIMA, **Brian Fangmeier**, DHFS/DHCF/BIMA/QA, **Carol Amelong**, DHFS/DHCF/BIMA/QA, **Essie Herron**, DHFS/DHCF/BIMA, Milwaukee Region, **Jenny Thompson**, DWD, DWS, BPS, **Dave Mikelson**, BCA, **Kathy Gugel**, DHFS/DHCF/BHCE.

GENERAL ADMINISTRATIVE ANNOUNCEMENTS

(Note: Minutes are available on-line on the Internet Partner Page –
<http://www.dwd.state.wi.us/desw2/imac/minutes/2001/2001-minutes.htm>

Minutes for 2002 will be accessed on the Internet Partner Page –
<http://www.dwd.state.wi.us/desw2/imac/minutes/2002/2002 – minutes.htm>

ADMINISTRATIVE ITEMS

No administrative items to report.

SECOND PARTY REVIEWS

Original workplan suggested that two cases per worker be review per month. Alternative proposals were put in workplans by county agencies regarding each county's second party review. Some suggested proposals were:

- Peer Reviews
- Percentage of caseloads per worker for reviews
- Specific reviews; such as income or asset reviews for each month

OVERVIEW OF FOOD STAMP QUALITY CONTROL

Historical Trends:

Listed below is a chart for the last 10-year period that shows Wisconsin's Food Stamp error rate compared to the national level.

Fiscal Year	Federal Target	WI Error Rate	Difference	Sanction Liability
1991	10.31%	10.05%	-.26%	None
1992	10.31%	9.32%	-.99%	None
1993	10.81%	9.51%	-1.30%	None
1994	10.32%	10.51%	+.19%	\$8,544.00
1995	9.7%	12.1%	+2.40%	\$1,370,000.00
1996	9.2%	11.61%	+2.41%	\$1,224,955.00
1997	9.89%	13.7%	+3.81%	\$2,200,000.00
1998	10.69%	14.58%	+3.89%	\$689,391.00
1999	9.88%	11.8%	+1.92%	\$606,466.00
2000	8.91%	12.0%	+3.09%	\$1,671,222.00
2001	8.66%	13.14%	+4.48%	\$2,800,000.00 (In appeal status)

Error Causes:

There are different categories of error causes. These are CARES, State, Client, Agency and Agency Preventable.

The following chart lists the causes of food stamp errors in dollars since 1998.

YEAR	CARES	STATE	CLIENT	AGENCY	AGENCY PREVENTABLE
1998	8%	4%	36%	5%	47%
1999	0%	2%	11%	27%	60%
2000	4%	1%	42%	7%	46%
2001	3%	3%	49%	12%	36%
2002 (10/1 – 3/2)	3%	3%	57%	8%	32%

Client errors are basically from:

- Not reporting income.
- Not reporting income that ended.
- Failure to report income increase.

Agency errors are from:

- Not acting on reported verified information.
- Using wrong conversion factor.
- Not using 30 days of income.
- Using partial month of income.
- Failing to act on alerts.
- Shift premium and overtimes not acted on.
- Use income for calendar year or quarters, and does not verify income.

Food Stamp elements with the largest dollar amounts of errors since 1998.

	1998	1999	2000	2001	2002 (10/1-3/2)
TANF	11%	5%	11%	8%	5%
Shelter Deduction	8%	6%	5%	6%	6%
Household Comp	3%	4%	10%	11%	5%
Earned Income	34%	42%	43%	44%	56%
Child Support	7%	4%	7%	5%	9%
Utility Expenses	6%			3%	
Math Computation	3%		2%	4%	2%
RSDI	3%				
Other	27%	18%	10%	9%	11%
Dates		4%			
Unemployment		6%	4%	5%	1%
SSI		6%		5%	6%
Self-Employment		5%	2%		
Medical Deduction			2%		
FSET			2%	2%	

Earned income is the area where the largest percentage of errors occur, by both the agency and client.

Other areas where errors occur and reasons for errors include:

- Household Composition
 - Client failure in reporting changes to the household.
 - Agencies incorrectly including or not including household members.
- CARES
 - Issuing incorrect certification periods.
- Child Support
 - Client failure to report child support at all, increases, or report child support ending.
 - Agencies do not act on reporting child support. Workers not always following policies.
- TANF income
 - CARES does not budget.
- Shelter Deduction
 - Clients fail to report correct rent at application and reviews.
 - Clients fail to report rent subsidies.
 - Agencies fail to act on reported info.
- SSI
 - Agencies not budgeting state portion of SSI.
 - Agencies not acting on alerts.
 - Clients not reporting SSI timely.
- Unemployment Compensation
 - Clients fail to report.
 - Agencies not removing UC when client goes back to work.
- Standard Utility Allowance
 - Incorrect standard given.
 - Agencies failing to act on changes when clients report moving.

Food Stamp Error Reduction Committee Report:

Jackie Bennett provided the committee with the following information from the Food Stamp Error Reduction Committee.

History of Committee

Committee originally formed when the requirement to have a joint county/state committee dedicated to error reduction as part of the IM contract. In June 2000, committee regrouped to develop a new committee structure and comprehensive approach to error reduction activities.

Range, Scope and Goals

New committee has established range, scope and goals. The committee is advisory, providing frontline examples to alert the state to the problems encountered by county agencies. Ultimate goal is to develop a product that will impact error reduction.

Priority Topics

Some of the topics for this committee are:

- Prospective Budgeting
- Alters
- Data Exchange
- Fraud/Change Reporting
- Food Stamp Case Management

Corrective Action Projects:

Mike McKenzie gave a report on the corrective action projects. Some of the top projects being worked on include:

- Payment Accuracy Consultants (PAC)

Staff located around the state to help local agencies with error reduction, including short training, case reviews, coaching and mentoring, etc. The PAC had been in LaCrosse County who maintained a 1% error rate for 2001 and Marathon who maintained a 0% error rate for 2001.
- Management and Evaluation Consultant

Burger, Carroll, and Associates has been hired to measure and evaluate all aspects of the reinvestment plans for the Food Stamp program and will complete a report on their findings in September 2002, including suggestions on what the state could do to improve the program.
- Milwaukee County Change Center
Reinvestment funding was provided for Milwaukee County to put up a Change Reporting Center.
- Local Agency Error Reduction Proposals

Fourteen local agencies have been awarded funding for their error reduction plans that will meet the needs of their individual agency.

-Columbia – Development of a “Team Teaching” procedure.
-Dane and Kenosha – Change Reporting Centers.
-LaCrosse, Richland and Rock Counties – Hire a LTE for “Call Back”

- Lincoln, Marathon, Oconto, and Winnebago – Hire a LTE for various activities such as outreach and follow-up.
- Milwaukee – Purchase FAX machines to place in locations for customers to use.
- Waupaca – Purchase FAX machines and printers for staff.
- Sheboygan and St. Croix – Purchase equipment for training needs.
- Waivers and Requests
 - Exempt ABAWDS from time-limited benefits.
 - Increase required child support reporting threshold from \$25 to \$100.
 - Simplify standard utility allowance determinations and mandate the use of utility standards.
 - Status reporting waiver.
 - 10-day job start waiver.
- Training
 - “Working 9 to 5...Not”
 - CARES to KIDS to Case Comments
 - Data Exchange
 - Pro-shop/Coaches Corner
- CARES
 - Project underway that will automate entry of SSI/State SSI income.
 - Completed project to further automate categorical eligibility.
 - Modification/simplification of alerts.
 - Data exchange workgroup between FS and MA.
- Other Initiatives
 - QA Plans – mandating second party reviews and corrective action
 - Management Evaluation Reviews
 - Working on processing guide to add to the FS handbook
 - Error Reduction Workgroup
 - QC Customer Service Surveys

Reinvestment Plan:

Information was provided on the Reinvestment Plan. Parts of the plan have been completed. There are numerous other projects in the works as part of the reinvestment plan.

Future Strategies for payment accuracy:

Susan Wood summarized the strategies that have been proposed through the day's discussion . They include:

- Increased administrative funding
- Simplify and coordinate Food Stamp and Medicaid policies and processes
- CARES fixes
- Redesign the application/review and change reporting cycles to assure correct and current information standardize policy communications and invest in training and technical assistance needs at the local level
- Support Milwaukee-specific initiatives
- Incorporate more accountability into the state-county relationship

DHFS will develop and implement an action plan for payment accuracy that incorporates all of these requirements.

COMMITTEE STRUCTURE & ASSIGNMENTS

This will be discussed at the August IMAC meeting.

**The next meeting will be:
August 15, 2002
State Capitol, Room 300NE**

